The way forward – Investment strategy in a changed world

New Zealand Investment Forum 2020

Live webinar series

June 2020

russellinvestments.co.nz

The way forward – Investment strategy in a changed world

In March this year we made the decision to postpone our annual Russell Investments Forum as the COVID-19 pandemic unfolded. Since then the global economy and financial markets have been upended as the health crisis escalated into an economic and financial crisis.

With much of the world locked down, economic activity has stalled, sending companies of all shapes and sizes into financial difficulty and putting millions of people out of work. The impact on financial markets has been immense. After crashing violently towards the end of the first quarter, markets are beginning to stabilise after relief from governments and central banks launching massive rescue programmes.

Today, we sit in an uneasy calm. Financial market stresses have eased and economies around the world are beginning to open up with millions of people heading back to work. But 'back to normal' seems a long way off yet. The worst global recession since the Great Depression seems to be upon us and government debt and Central Bank balance sheets have exploded around the world.

Whole industries that little more than a few months ago were seen as essential are now in a race for survival.

What sort of recovery will we have? Are there reasons for optimism? And what should we be focussing on as we look to build more resilient portfolios? Finally, have the last several months taught us anything about investing for the long term? ***The way forward – Investment strategy in a changed world*** will cover a range of topics that help investors address those fundamental questions.

The event will feature a wide range of engaging speakers including representatives from the New Zealand Initiative, Morrison & Co, Pencarrow Private Equity, Harbour Asset Management and Devon Funds Management. We will also be joined by our Russell Investments colleagues from around the globe.

In a sign of the times, the Forum will be conducted in a series of webinars over a two-week period from 16 June through to 25 June (see the following pages for more details). We invite you to attend all those sessions that are of interest and hope that you find them engaging and insightful.

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Matthew Arnold, CFA, CAIA

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The way forward – Investment strategy in a changed world

This event will be relevant for:

- Chief investment officers, fund managers and analysts
- Staff and trustees of pension schemes, Iwi and community trusts
- Intermediaries, such as wealth managers, who build diversified portfolios for their clients
- Charities, family offices and high net worth investors
- Fund management professionals including investment consultants and KiwiSaver managers
- Organisations creating white-label multi-manager funds including private assets

CPD credits

Those attending the event will be eligible to receive Continuing Professional Development (CPD) credits.

For more information, please contact Jacqui Robertson at **jerobert@russellinvestments.com**

Event details

The event will be run over a series of webinars from 16 June through to 25 June. Upon registration, you will receive details about accessing the sessions. For those unable to attend live, replays and presentation materials will be added to **russellinvestments.co.nz** following the sessions.

For more information please contact your Russell Investments representative.

Schedule

	TUESDAY 16 JUNE	WEDNESDAY 17 JUNE	THURSDAY 18 JUNE	TUESDAY 23 JUNE	WEDNESDAY 24 JUNE	THURSDAY 25 JUNE
Morning session 9am	**Introduction** Peter Gunning Q&A with Alister van der Maas **Where to now?** Andrew Pease and Erik Ristuben	**State of the Nation** Dr Oliver Hartwich	**Opportunities in Alternatives** Victor Leverett	**Active management is alive, but is it well?** Dr Leola Ross	**Implications and opportunities for fixed income investors** Paul Eitelman	**Building better portfolios – insights and advice** Kevin Turner Q&A with Matt Arnold
Afternoon session 2pm			**The Practitioners' Perspective - Infrastructure and Private Equity** Tim Brown and Nigel Bingham	**Alpha Opportunities in NZ Shares** Jane Williams, Andrew Bascand and Mark Brown		

Agenda

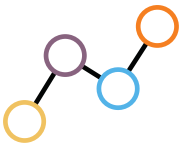
Tuesday 16 June *9.00am – 10.10am*	**Welcome and introduction** Alister van der Maas, Managing Director, Russell Investments and Pete Gunning, Chief Investment Officer, Russell Investments **Where to now? Opportunities for long-term investors** Join our Strategists, Andrew Pease and Erik Ristuben, as they discuss the current economic and market environment as well as the emerging opportunities for long-term investors. Key topics include: • The disconnect between Wall Street and Main Street • The BIG opportunity in global equity markets • Opportunities in fixed income • Portfolio positioning considerations *Andrew Pease, Global Head of Investment Strategy, Russell Investments* *Erik Ristuben, Chief Investment Strategist, Russell Investments* **Moderator**: Alister van der Maas
Wednesday 17 June *9.00am – 10.00am*	**State of the Nation – Paving the path to recovery** With the health challenge posed by Covid-19 behind us, New Zealand is now facing its most significant economic challenge in generations. How should we as a country respond? Is there are playbook that can guide us through what might seem to be uncharted territory? Using historical examples, Dr Oliver Hartwich will share his thoughts on how New Zealand should approach this economic challenge while highlighting the pitfalls that should be avoided. *Dr Oliver Hartwich, Executive Director, The New Zealand Initiative* **Moderator:** Julian Darby
Thursday 18 June *9.00am – 9.45am*	**Building a diversified portfolio of alternatives – perspectives for NZ investors** Alternative investments are growing in importance for many NZ investors. In this session, our Head of Alternative Investments, Vic Leverett, will cover: • recent market activity and opportunities for long-term investors • the role private capital can play in multi-asset portfolios • how Russell Investments works with investors to build diversified alternatives portfolios *Vic Leverett, Head of Alternative Investments, Russell Investments* **Moderator:** Matthew Arnold
2.00pm – 3.00pm	**The practitioners' perspective – Infrastructure and private equity today** Drawing on his experience as Chairman of the Wellington Airport, Tim Brown, from Morrison & Co., joins us to discuss infrastructure investing. His session will cover: • the outlook for infrastructure in the current environment • the different types of infrastructure investment and their unique risk-return characteristics • the case for including listed infrastructure in a global multi-asset portfolio. Nigel Bingham, Managing Partner from private equity firm, Pencarrow,will join the session to discuss opportunities within the local private equity market. As well as addressing the impact the COVID-19 crisis is having on the asset class in New Zealand Nigel will discuss: • routes into private equity in New Zealand • the size of the opportunity and returns • private equity fund structure and terms • examples of portfolio investments *Tim Brown, Head of Capital Markets, Regulation and Governance, Morrison & Co. and Chairman of Wellington International Airport* *Nigel Bingham, Managing Partner, Pencarrow Private Equity* **Moderator:** Matthew Arnold

Agenda

Tuesday 23 June ***9.00am – 9.45am***	**Active management is alive, but is it well?** Does the inexorable growth in assets managed in index-based strategies signal an existential crisis for the active management community? Or has the pendulum swung too far, presenting significant opportunities for long-term investors? Our lead investment strategist, Leola Ross, joins us to discuss the health of active management and what it means for investors. This session should be particularly interesting to anyone involved in multi-asset investment, manager research and selection. *Dr Leola Ross, Research & Development, Investment Strategy Research, Russell Investments* **Moderator:** Guy Fisher
2.00pm – 3.00pm	**Opportunities for alpha in the New Zealand equity market** Jane Williams, our manager research analyst for Australasian equity managers, hosts Andrew Bascand from Harbour Investments and Mark Brown from Devon Funds Management to discuss opportunities in the New Zealand equity market today. The domestic market has largely been immune from the effect of the global shift towards indexing due to the widely held view that active management 'works' in New Zealand. Jane will review the market highlighting how she thinks about the opportunities for managers to add value. Andrew and Mark will then give their take on the current opportunities and the long-term outlook for the local market. *Andrew Bascand, Managing Director, Harbour Asset Management* *Mark Brown, Chief Investment Officer, Devon Funds Management* *Jane Williams, Senior Research Analyst, Equities, Russell Investments*
Wednesday 24 June ***9.00am – 9.45am***	**$100 trillion and counting... implications and opportunities for investors in a 'QE Infinity' world** Join Paul Eitelman, Senior Investment Strategist from Russell Investments, as he surveys the global investment landscape. This session will dive into global fixed income analysis, discussing; • the outlook for US Fed Policy • the extraordinary stimulus and potential for inflation • opportunities for global fixed income investors *Paul Eitelman, Senior Investment Strategist, Russell Investments* **Moderator:** Alister van der Maas
Thursday 25 June ***9.00am – 9.45am***	**Conclusion: Building better portfolios – insights and advice from the US** Matt Arnold will conclude the Forum hosting a Q&A with New Zealander, Kevin Turner, who now lives in Seattle and heads up the Investment Strategy & Solutions effort for Russell Investments' US institutional business. In this wide-ranging discussion Kevin will touch on a number of key topics from how to become better investors to advice on building robust multi-asset portfolios. *Kevin Turner, Head of Investment Strategy & Solutions, US Institutional, Russell Investments* **Moderator:** Matthew Arnold

What we do in New Zealand

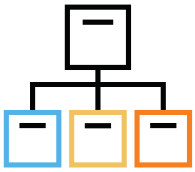
- Full-service global multi-asset fund manager and agency broker
- Investment consulting, manager research and advice is our core competency and is at the heart of everything we do in New Zealand
- We typically work with our clients on their total portfolio, aiming to improve investment outcomes through the development of long-term and meaningful partnerships
- Our time-tested advice and implementation framework promotes *simplicity*, *transparency* and *accountability*



ASSET CONSULTING (ADVICE)

$12.7 billion[1]

- Institutional investors and asset managers
- Financial advisers
- Ultra high net worth and family office



IMPLEMENTED CONSULTING (OCIO)

$1.6 billion[1]

- Institutional investors and asset managers
- Financial advisers
- Ultra high net worth and family office

MANAGED FUNDS AND KIWISAVER

$4.2 billion[2]

- Institutional investors and asset managers
- Financial advisers
- Ultra high net worth and family office
- High net worth and retail

IMPLEMENTATION SERVICES (Transitions, overlays, customised FX and trading)

- Institutional investors and asset managers
- Financial advisers

[1] As of 31 December 2019
[2] Implemented Consulting and OCIO assets included in Managed Funds and KiwiSaver category

Biographies

DR OLIVER HARTWICH

Executive Director, The New Zealand Initiative

Dr Oliver Hartwich is the Executive Director of The New Zealand Initiative, an independent public policy think tank supported by chief executives of major New Zealand businesses.

Before joining the Initiative, he was a Research Fellow at the Centre for Independent Studies (Sydney), the Chief Economist at Policy Exchange (London), and an advisor in the UK House of Lords. His publications have covered a wide range of topics, including housing, transport, local government, and global economic issues. He holds a Master's degree in Economics and Business Administration and a Ph.D. in Law from Bochum University (Germany).

Dr Hartwich is a frequent media commentator and writes popular columns in the Business Spectator (Melbourne) and the National Business Review (Auckland). His articles have been published by major newspapers in Britain, Germany, Switzerland, Australia and New Zealand.

ANDREW PEASE

Global Head of Investment Strategy

Andrew Pease is the global head of investment strategy for Russell Investments. He is responsible for the cycle, value and sentiment asset allocation framework that guides the tactical positioning of Russell's actively managed funds. Andrew oversees Russell's global team of investment strategists in Seattle, London, New York and Sydney. He is based in London and joined Russell in 2006.

Andrew has extensive financial industry experience as an economist, investment strategist, fund manager and central banker. Prior to his current role, Andrew was Russell's Chief Investment Strategist for the Asia-Pacific region.

Andrew previously worked for the funds management division of Macquarie Bank, as the Chief Economist for JPMorgan in Australia and as the Australian head of research at Nomura Securities. Andrew began his career as an economist at the Reserve Bank of Australia.

ERIK RISTUBEN

Chief Investment Strategist

Erik Ristuben is the global chief investment strategist for Russell Investments. His team's responsibilities include the creation and management of integrated client investment strategies for the firm's institutional and retail clients globally, as well as the creation of global economic and market outlooks. In his role he manages the global Client Portfolio Manager team, which works directly with clients on the implementation of investment strategies for both individual and institutional clients. Erik serves as a principal spokesperson, representing the firm's investment process and insight with clients, industry conferences and the media. He is a frequent guest on television and radio networks such as CNBC, Bloomberg TV, and Bloomberg Radio. He is quoted frequently in national business and trade publications such as The Wall Street Journal, Los Angeles Times, InvestmentNews and USA Today. As a senior member of the firm's global investment division, Erik serves as a member of the investment strategy committee and the investment risk management committee which oversee funds management for Russell Investments' entire global funds complex.

VICTOR LEVERETT

Managing Director, Alternative Investments

Victor Leverett is the managing director of alternative investments for Russell Investments. Victor manages Russell Investments hedge fund, listed real asset, and private market teams to ensure the investment integrity of research and portfolio solutions. In addition he oversees and coordinates the product strategy of alternative investments globally. Victor is a member of Investment Division Leadership team.

Prior to taking on the managing director position, Victor was the director of business development, responsible for the growth and development of the alternative investment business. In that role Victor led a team responsible for developing strategy with respect to product as well as new market opportunities in alternative investments. Victor has been involved in Russell Investments alternative investment business since 1996.

Victor has also worked closely with large institutional funds on various aspects of their investment programs, including investment policy, asset allocation, operations and performance analysis since 1988. Victor is President of Russell Investments Capital, LLC., which is currently a registered Investment Adviser. In addition, Victor holds a number of directorships on offshore Russell Investments entities.

LEOLA ROSS, PH.D, CFA

Director, Research & Development, Investment Strategy Research

Leola Ross is a director, investment strategy research for Russell Investments. Leola joined the investment division in 1998 and is currently part of the investment strategy research team focusing on Russell Investments' research process and publications, multi-asset solutions and alternative investments. Her role comprises oversight of the research agenda and process, as well as contributing materially to the body of research at Russell Investments. Previously, Leola worked as a strategist with our alternative investments and edge strategies teams. Earlier in her career at Russell Investments, she conducted capital markets research on various regional equity markets with a long time focus on hedge funds, Australia, Asia, and Japan. She has published a variety of her research results and is a featured presenter at conferences. Leola has authored many research commentaries and reports, practice notes, and other internal publications for several offices.

PAUL EITELMAN, CFA

Senior Investment Strategist

Paul Eitelman joined Russell Investments in March 2015 as an investment strategist. His research and views help guide the firm's multi-asset portfolios and services for institutional and retail investors. Previously, Eitelman served as Vice President and Senior Economist at J.P. Morgan Private Bank in New York, where his global macroeconomic research and analysis drove tactical investment ideas and asset allocation decisions on behalf of the firm's ultra high net worth clients. Prior to that, Eitelman worked at the Federal Reserve Board, where he was the lead economic analyst for several emerging market economies in Latin America and Southeast Asia. In this role, he prepared country briefings and analysis for former Chairman Ben Bernanke and other members of the FOMC.

KEVIN TURNER, CFA

Head of Investment Strategy & Solutions, US Institutional

Kevin Turner leads the Investment Strategy & Solutions team for Russell Investments. This team is a consolidation of the asset allocation and liability management functions across the organization, and is focused on enhancing Russell Investments' multi-asset proposition through a clear understanding of client needs and a consistent process to design investment solutions to achieve desired outcomes. The team works closely with consulting clients and institutional investment management clients in North America. Based in Seattle, Kevin assumed this expanded leadership role in 2016. Kevin's additional responsibilities include membership of the Americas Institutional Executive Committee and the Solutions Sub-Committee of the Investment Strategy Committee.

TIM BROWN

Head of Capital Markets, Regulation and Governance, Morrison & Co

Tim is based in Wellington where he overseas Morrison & Co's debt capital markets activities and is closely involved with the group's activities which touch on economic and government regulation. He joined H.R.L Morrison & Co in 1994 from the National Bank of NZ where he was Head of Capital Markets and Structured Finance. Tim is Chair of Wellington International Airport and MCL Capital.

NIGEL BINGHAM

Managing Partner, Pencarrow Private Equity

Nigel is a Managing Partner of Pencarrow and has more than 25 years' experience in private equity, mergers & acquisitions and corporate finance. Prior to joining Pencarrow in 2005, Nigel was a partner with investment bank, Cameron Partners, and earlier an executive at Fay, Richwhite. Nigel has a BSc (Hons) First Class in Statistics, an MSc with Distinction in Mathematics and a Diploma of Business Studies in Finance and is a council member of the New Zealand Private Equity & Venture Capital Association. Nigel is currently on the boards of Seequent, MMC and Netlogix.

JANE WILLIAMS

Senior Research Analyst, Investment Division

Jane is a senior research analyst based in our Sydney office, responsible for research of Australian and New Zealand Equities managers. This requires identifying the managers who are likely to consistently outperform their peers over time. Jane joined Russell Investments in January 2017 from BT, Westpac's wealth division, where she was a senior member of the manager research team at BT Advice, conducting research managed funds and selecting funds for a high conviction list and model portfolios for over 1,000 financial advisers. Over her seven years conducting manager research at BT Advice, Jane lead the research effort on all major asset classes – Property & Infrastructure, Fixed Income, Global Equities, Alternatives and Australian Equities. Prior to this she held roles within a Westpac funds management business and Group Finance.

ANREW BASCAND

Managing Director, Harbour Asset Management

Andrew is Managing Director at Harbour Asset Management and has responsibility for all Australasian equity portfolios. Prior to joining Harbour Asset Management, Andrew spent 10 years with AllianceBernstein (NZ) as Senior Vice President and Portfolio Manager responsible for portfolio construction of all Australasian mandates. In that role Andrew and his team were consistently recognised by the industry for excellence in funds management. Andrew has more than 27 years investment management experience in roles with the Reserve Bank of New Zealand, Bank of England, AMP and with Merrill Lynch Global Asset Management (UK) as Managing Director of Global Equity Products. With Merrill Lynch, Andrew managed global equity accounts for pension funds in Japan, Sweden, Spain, Chile, England, the US, Germany and South Africa

MARK BROWN, CFA

Chief Investment Officer, Devon Funds Management

With over 20 years of investment experience, Mark is responsible for Devon's New Zealand-only equity funds as well as assisting with management of their Australasian portfolios. He is also responsible for overseeing the research and investment process at Devon. Mark became CIO Devon Funds after spending many years as Head of Australasian Equities at ANZ, which he joined as an investment analyst in 2002. He was promoted to Head of Research in 2005, and in 2006 became an Investment Manager, responsible for ANZ Investments' Trans-Tasman equity mandates.
Previously, Mark was Director at HSBC Asset Management having started his career as a financial controller in South Africa, later joining Foord Asset Management in 1997.

ALISTER VAN DER MAAS, CFA

Managing Director, NZ

As the Managing Director for Russell Investments New Zealand, Alister focuses on the management and strategy of the New Zealand business. Alister joined Russell Investments in 2006 as Consultant, then becoming Head of Consulting in 2008. Alister leads a team which delivers asset consulting advice, implementation services and funds management to some of New Zealand's largest investors.

Prior to joining Russell Investments Alister lived in the United Kingdom where he worked in various roles in the investment management industry at Deutsche Bank and Merrill Lynch Investment Managers (now called Blackrock).

MATTHEW ARNOLD, CFA, CAIA

Director, Institutional, NZ

Matt is responsible for leading the institutional team at Russell Investments in New Zealand. The team delivers a range of services that assist investors in meeting their goals including asset and implemented consulting, global multi-asset investing and implementation services such as transition management and overlays. Prior to joining Russell Investments in 2019, Matt worked for a decade at State Street Global Advisors in the UK and Singapore where he held a variety of research, strategy and sales roles within the global SPDR Exchange Traded Fund (ETF) business.

Before that he worked at several global asset managers in the UK and US.

FIONA LINTOTT

Director, Client and Investor Services

Fiona manages the client relationship team and promotes Russell Investments multi asset solutions to institutional investors.

From 2009 to 2011, Fiona worked at ANZ Private Bank as Associate Director focusing on the needs of Private Bank's most highly valued clients. From 2007 Fiona was Head of Business Development for Russell Investments in Auckland. Prior to this she was Head of Retail Funds where she managed the relationships with Russell Investments' retail distribution partners in New Zealand.

This role also included relationship management, product development, compliance, marketing, training and education.

Prior to this Fiona was a Client Service Manager for the New Zealand institutional and retail clients invested in Russell's global funds and managed the production of performance reports for the New Zealand consulting clients.

GUY FISHER

Senior Consultant

Guy has been providing investment advice to institutional and retail clients in New Zealand and overseas for more than 25 years. He joined Russell Investments as a Senior Consultant in 2018, focusing on the non-profit and philanthropic sectors. Prior to that he spent 8 years at ANZ Private Bank (4 years as Head of Investments) and 4 years as an investment consultant with Aon Hewitt in Wellington. Before moving to New Zealand in 2002, Guy held investment advisory roles in Edinburgh and London.

JULIAN DARBY

Senior Consultant

As a Senior Consultant on the New Zealand Consulting team, Julian is responsible for providing investment consulting advice to advisory clients in New Zealand,including Community Trusts and corporate superannuation schemes. Prior to joining Russell Investments in 2007, Julian lectured on corporate finance and investments at The University of Auckland Business School in the undergraduate programme before spending time overseas. During his studies Julian worked part-time in equity research at Credit Suisse First Boston and also as a research assistant at The University of Auckland.

MARIA FLAHERTY

Client Relationship Manager

Maria is a Client Relationship Manager and is responsible for managing all aspects of key client accounts. This includes providing portfolio reviews, portfolio rebalancing, and other service requirements to New Zealand institutional clients. Maria also specialises in providing operational and transactional assistance for client transitions. Maria has extensive experience in the preparation of institutional client reports, since starting at Russell Investments, as a Performance Analyst in October 2000. This role required an excellent eye for detail and the ability to deliver detailed client performance reports in accordance with tight monthly and quarterly deadlines. Prior to joining Russell Investments, Maria worked for Guardian Trust in a Marketing role preparing advertising, promotional material, sales literature and organizing client and promotional functions.

MIHIR TIRODKAR, CFA

Senior Analyst

Mihir is a Senior Analyst in the New Zealand Consulting team and helps with investment strategy for advisory clients. He is also involved in Russell Investment's foundational research arm.

Mihir is currently completing a PhD in climate finance at the University of Auckland. Prior to working at Russell Investments, Mihir worked in PwC's consulting department, and was a tutor in the accounting and finance department at University. He is a CFA Charterholder and member of the CFA Institute and the CFA Society of New Zealand.

AYAZ MOHAMED

Client Service Analyst

Ayaz is a Client Service Analyst for the funds team at Russell Investments Auckland. He is responsible for assisting in the completion of client reports and providing analysis. Ayaz has been with Russell Investments for six months and is currently a CFA candidate. Prior to this, Ayaz completed his Masters in the University of Auckland. He specialised and researched the growing financial technology (FinTech) market in the United States.

PETER GUNNING, CFA

Peter Gunning is the chief executive, Asia-Pacific for Russell Investments where he oversees all business in the Asia-Pacific region, including Japan, Korea, China, Taiwan, Australia and New Zealand. He serves on the Russell Investments Executive Committee. In addition, Pete is the global chief investment officer where he directs the investment management, implementation and research activities worldwide.

From 2008 to 2013, Pete was global chief investment officer for Russell Investments. Earlier in his career, he was the regional chief investment officer for the Asia-Pacific region. His responsibilities included the oversight of investment research in the region as well as the management of equity and fixed interest portfolios for Australian, New Zealand, Japanese and Australasian clients.

Find out more, visit: **russellinvestments.co.nz**

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